

HOUSE BILL REPORT

HB 2323

As Reported by House Committee On:
Local Government

Title: An act relating to increasing affordable rental housing through accessory dwelling units.

Brief Description: Encouraging affordable rental housing.

Sponsors: Representatives B. Sullivan, DeBolt, Simpson, Springer, Holmquist, McCune, O'Brien, Sells, Pettigrew, Ahern, Jarrett, Miloscia, Ormsby, Dunn, Priest, Roach, Dunshee, Woods, Ericks and Hunter.

Brief History:

Committee Activity:

Local Government: 1/12/06, 2/1/06 [DPS].

Brief Summary of Substitute Bill

- Establishes the Joint Select Committee on Accessory Dwelling Units (Committee).
- Charges the Committee with examining ways of increasing affordable rental housing through accessory dwelling units (ADUs) by reviewing adopted ADU ordinances and considering related policies.
- Requires the Committee to report its findings and recommendations to the appropriate committees of the Legislature by December 1, 2007, the expiration date of the Committee.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Clibborn, Vice Chair; Schindler, Ranking Minority Member; Ahern, Assistant Ranking Minority Member; B. Sullivan, Takko and Woods.

Staff: Ethan Moreno (786-7386).

Background:

Growth Management Act

Enacted in 1990 and 1991, the Growth Management Act (GMA or Act) establishes a comprehensive land use planning framework for county and city governments in Washington. The GMA specifies numerous provisions for jurisdictions fully planning under the Act (planning jurisdictions) and establishes a reduced number of compliance requirements for all local governments. The Department of Community Trade and Economic Development (DCTED) is charged with providing technical and financial assistance to jurisdictions implementing the GMA.

Qualifying planning jurisdictions must have accessory apartment provisions incorporated within their development regulations, zoning regulations, or official controls. The accessory apartment provisions must be consistent with a 1993 report of the DCTED that:

- identified local governments allowing the siting of accessory apartments in areas zoned for single-family residential use; and
- made recommendations to the Legislature designed to encourage the development and placement of accessory apartments in areas zoned for single-family residential use.

For the purposes of these accessory apartment provisions, "qualifying planning jurisdictions" includes all counties fully planning under the GMA, and all cities with a population that exceeds 20,000.

Summary of Substitute Bill:

The Joint Select Committee on Accessory Dwelling Units (Committee) is established. The Committee must examine ways of increasing affordable rental housing through accessory dwelling units (ADUs) by:

- reviewing ADU ordinances adopted by jurisdictions fully planning under the GMA;
- considering policies pertaining to the siting of ADUs, including policies permitting the units to be sited on all parcels where single-family residences are allowed; and
- considering policies pertaining to occupant requirements, allowable floor areas, off-street parking, and other specified matters.

The Committee must report its findings and recommendations to the appropriate committees of the Legislature by December 1, 2007, the expiration date of the Committee.

The composition of the Committee must be as follows: two senators, one from each of the two largest caucuses of the Senate; and two representatives, one from each of the two largest caucuses of the House of Representatives. The senators and representatives must be appointed by the President of the Senate and the Speaker of the House, respectively. The Committee must choose its chair from among its membership.

The DCTED must cooperate with the committee and maintain a liaison representative who is a nonvoting member. The DCTED must also provide information requested by the Committee Chair.

The Committee is authorized, when appropriate, to consult with individuals from the public and private sectors or to ask those individuals to establish one or more advisory committees. The Committee, at a minimum, must consult with individuals representing:

- cities;
- counties;
- low-income housing advocates;
- developers;
- realtors;
- planners;
- environmental conservation interests; and
- the general public.

Governance and reimbursement provisions are specified. Staff support for the Committee must be provided by the Senate Committee Services and the House of Representatives Office of Program Research.

Substitute Bill Compared to Original Bill:

All provisions of the underlying bill are deleted or modified. The Joint Select Committee on Accessory Dwelling Units is established and charged with examining ways of increasing affordable rental housing through ADUs by reviewing ADU ordinances adopted by jurisdictions fully planning under the GMA, and considering related policies. The Committee is directed to, at a minimum, consult with individuals representing specific groups or interests. Appointment, governance, reimbursement, staffing, and agency cooperation provisions for the Committee are specified. The Committee must report its findings and recommendations to the appropriate committees of the Legislature by December 1, 2007, the expiration date of the Committee. Intent language is modified.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support of original bill) Washington may be facing a crisis of unintended circumstances. Smaller land supplies have led to a rapid rise in housing prices. This bill is a response to housing affordability problems facing citizens.

San Juan County is experiencing a crisis of affordable housing: the county has low wages and high housing costs. Residents of the county want the right to build guest houses: houses that provide income to owners and provide flexible affordable housing options to a broad variety of people. The county's citizens supported an advisory ballot measure in favor of ADUs on all parcels. These ADUs and accessory cottages represent an opportunity to provide affordable housing to others. This bill is not clear about its application to rural areas. The

potential detriments from ADUs to rural areas would be minimal and rural areas should experience the benefits of this legislation. The bill should be amended to allow ADUs on all parcels where a single family residential unit is allowed. A frustrating moratorium exists for detached ADUs in rural and resource lands because of a Growth Management Hearings Board decision. This bill will bring clarity to the issue of ADUs.

The traditional response to housing needs has been to build more units that are farther from the urbanized areas; this is no longer permitted or feasible. This bill is an opportunity to respond to housing affordability concerns and is a small part of a creative solution. Realtors are actively monitoring markets and market conditions: Washington is not keeping up with job growth and is experiencing a housing shortage. Legal barriers to ADUs should be reduced.

Housing affordability is essential to economic development. This bill is part of a package of flexible options to help increase housing affordability. Many jurisdictions don't allow ADUs; this will establish a new state policy in support of ADUs.

Much of the GMA is about containing sprawl and encouraging growth within urban areas; an additional goal is to accommodate housing needs. Infill housing has many benefits, but infill development has been difficult, expensive, and politically problematic. The purpose of this bill is to unlock potential housing capacity. Existing laws have not produced desired results. The provisions of this bill are based upon a model ordinance. This bill includes standards that are in existing law. Under this bill, ADUs will only be established at the option of the property owner. People who build ADUs construct them to their own preferences.

The bill should be clarified to focus its provisions on ADUs in urban growth areas.

A departure from the international building code as allowed under this bill would be unlawful. Impact fees should not apply to ADUs.

(With concerns on original bill) The provision allowing local jurisdictions to modify and waive building code requirements is a concern. Any reduction in fire and life safety codes would cause concern.

Testimony Against: (Opposed to original bill) The 1993 legislation requiring ADUs has been successful. Does this bill represent policy that should be applied to all cities planning under the GMA? Does the Legislature intend to prescribe adoption standards for ADUs? This bill is prescriptive: ADUs and related issues should be resolved at the local level. Although ADUs are a good concept, the bill should be amended to make the prescriptive provisions optional.

Persons Testifying: (In support of original bill) Representative B. Sullivan, prime sponsor; John Evans and Ri Warren; Randy Gaylord, San Juan County Prosecutor; Richard Bennion, Paige Miller, Tim Watterson, and Michael Luis, Housing Partnership; Kaleen Cottingham, Futurewise; Timothy Harris, Building Industry Association of Washington; and Bryan Wahl and Ron Fowler, Washington Realtors.

(With Concerns on original bill) Eric Johnson, Washington Association of Counties; John Neff, Washington Association of Building Officials.

(Opposed to original bill) Dave Williams, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.